



GENERAL INFORMATION CITY OF FRISCO, TEXAS

COMPETITIVE SEALED PROPOSAL NO. 1103-030
DEPOSITORY AND CREDIT CARD SERVICES

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DOCUMENTS ARE DUE TO THE OFFICE OF THE DIRECTOR OF  
ADMINISTRATIVE SERVICES PRIOR TO:

***April 8, 2011 @ 2:00PM CST***

***NO LATE PROPOSALS WILL BE ACCEPTED***

**ORIGINAL AND FIVE COPIES REQUIRED, PLUS ON CD OR  
FLASH DRIVE**

~~~~~  
**DOCUMENTS
MAY BE DELIVERED OR
MAILED TO:**

**CITY OF FRISCO
TOM JOHNSTON, DIRECTOR
OF ADMINISTRATIVE
SERVICES
6101 FRISCO SQUARE BLVD
FRISCO, TX 75034**

**Deadline for Submittal of
Questions**

**MARCH 24, 2011, 11:00 AM
CST via email to**

purchasing@friscotexas.gov

**FOR ADDITIONAL INFORMATION CONCERNING THIS PROPOSAL PLEASE
CONTACT:**

**Tom Johnston C.P.M., CPPO
Director of Administrative Services
tjohnston@friscotexas.gov
972 292 5540**

**Daniel Ford, CPPB
Buyer
dford@friscotexas.gov
972 292 5542**



CITY OF FRISCO
COMPETITIVE SEALED PROPOSAL NUMBER
1103-030

RFP for DEPOSITORY AND CREDIT CARD SERVICES

BIDDER MUST SUBMIT ORIGINAL PROPOSAL AND FIVE "COPIES", PLUS A CD OR FLASH DRIVE TO FACILITATE EVALUATION. IF COPIES OR A CD OR FLASHDRIVE ARE NOT SUBMITTED WITH THE ORIGINAL, YOUR PROPOSAL MAY BE CONSIDERED AS "NON-RESPONSIVE TO SPECIFICATIONS" AND MAY NOT BE CONSIDERED FOR FURTHER EVALUATION.

The City of Frisco (the "City") is accepting Competitive Sealed PROPOSALS for **DEPOSITORY AND CREDIT CARD SERVICES**.

It is the policy of the City to involve small businesses and qualified minority/woman owned businesses to the greatest extent possible in the procurement of goods, equipment, services, and construction projects.

Proposal must be received by April 8, 2011 at 2:00 PM CST BY THE DIRECTOR OF ADMINISTRATIVE SERVICES'S OFFICE. NO PROPOSAL WILL BE ACCEPTED AFTER THAT DATE AND TIME. ALL PROPOSALS RECEIVED AFTER THIS DATE AND TIME WILL BE CONSIDERED UNRESPONSIVE. DEADLINE FOR QUESTIONS IS MARCH 24, 2011, 11:00 AM CST. QUESTIONS MUST BE EMAILED TO TJOHNSTON@FRISCOTEXAS.GOV OR PURCHASING@FRISCOTEXAS.GOV.

Proposals will be publicly opened and names of those who submitted responses will be read at the Frisco City Hall located at 6101 Frisco Square Blvd., Frisco, Texas 75034 on April 8, 2011 at 2:05 PM CST.

Write the competitive sealed proposal number "1103-030", name of the proposal, "RFP for Depository and Credit Card Services", and the name of your organization on the outer envelope.

Proposals are to be submitted in accordance with the attached City specifications and the "General Conditions of Bidding" attached hereto. Each bidder is required to fill in every blank; failure to do so may be used as a basis for rejection of a proposals. The City reserves the right to reject any or all proposals, to waive formalities, or to proceed otherwise when in the best interest of the City.

SEE ATTACHED SPECIFICATIONS/PROPOSAL FORM

The successful bidder may be required to execute a written contract.

BONDING REQUIREMENTS

Bidder shall supply a bid bond of \$15,000. The bid bond shall be in the form of a cashier's check made payable to the City of Frisco, and shall be returned to each bidder upon final acceptance and execution of this Depository Services Contract with the successful bidder. Should the institution selected as the Depository Bank by the City fail to become the Depository Bank, for whatever reason, the bid bond will be forfeited to the City as liquidated damages.

GENERAL CONDITIONS OF BIDDING

1. INSTRUCTIONS: These instructions apply to all bids/proposals and become a part of the terms and conditions of any bid/proposal submitted and any agreement entered into subsequent thereto, unless exception is taken in writing by bidder when submitting bid.

BIDDING

2. FORM: Bidders must submit an original plus five copies, as well as a CD or flash drive of the sealed proposal to the Director of Administrative Services prior to response due date/time. Failure to submit the additional copies and CD or flash drive may result in the bid being declared unresponsive to specification and may not be further evaluated.
3. PRICING: Price(s) quoted must be held firm for a minimum of ninety (90) days from the date of bid closing. In the case of estimated requirement contract bid, the prices must remain firm for the period as specified in the bid. "Discount from list" bids are not acceptable unless specifically requested in the bid.
4. QUANTITIES: In the case of estimated requirements contract bid, quantities appearing are estimated as realistically as possible. However, the City reserves the right to increase, decrease or delete any item or items of material to be furnished while continuing to pay the price quoted on this bid regardless of quantity. The successful bidder shall have no claim against the City for anticipated profits for the quantities called for, diminished, or deleted.
5. ERROR-QUANTITY: Bids must be submitted on units of quantity specified, extended, and show total. In the event of discrepancies in extension, the unit prices shall govern.
6. F.O.B./DAMAGE: Quotations shall be bid F.O.B. delivered to the designated Municipal Facility, Frisco, Texas and shall include all delivery and packaging costs. The City assumes no liability for goods delivered in damaged or unacceptable condition. The successful bidder shall handle all claims with carriers, and in case of damaged goods, shall ship replacement goods immediately upon notification by the City.

7. DELIVERY PROMISE-PENALTIES: Bids MUST show the number of calendar days required to place the material in the possession of the City. Do not quote shipping dates. When delivery delay can be foreseen, the bidder shall give prior written notice to the City, who shall have the right, in its sole discretion, to extend the delivery date if reasons for delay appear acceptable. Default in promised delivery, without acceptable reasons, or failure to meet specifications, authorizes the City to purchase the goods elsewhere, and charge any increase in cost and handling to the defaulting bidder.
8. BIDDER SHALL PROVIDE: With this bid response, the bidder shall provide all documentation required. Failure to provide this information may result in rejection of bid.
9. ALTERING/WITHDRAWAL OF BIDS: Bids cannot be altered or amended after submission deadline. The signer of the bid, guaranteeing authenticity, must initial any interlineations alteration, or erasure made before opening time. No bid may be withdrawn after opening time without first submitting a written reason to the Director of Administrative Services and obtaining the Director of Administrative Services' approval.
10. PRESENTATION OF BIDS: No oral, telegraphic, telephonic, e-mailed, or facsimile bids will be considered at this time. All bids must be submitted in a sealed envelope.
11. CORRESPONDENCE: The proposal number 1103-030 must appear on ALL correspondence, inquiries, bid submittal documents, etc. pertaining to this Invitation for Bid.
12. ADDENDA: Any interpretations, corrections or changes to this Invitation for Bid and specifications will be made by addenda. Sole issuing authority of addenda shall be vested in the City of Frisco Purchasing Division. An attempt will be made to mail, fax, or e-mail any addenda to all who are known to have received a copy of this Invitation for Bid. Bidders shall acknowledge receipt of all addenda in the designated area on the bid document. It is the responsibility of the bidder to ensure receipt of all addenda and to include the changes in this bid document.
13. LATE BIDS: Bids received by the City after submission deadline shall be returned unopened and will be considered void and unacceptable. The City is not responsible for lateness of mail, carrier, etc.
14. BID OPENINGS: All bids submitted will be read at the City's regularly scheduled bid opening for the designated project. However the reading of a bid at bid opening should not be construed as a comment on the responsiveness of such bid or as any indication that the City accepts such bid as responsive.

The City will make a determination as to the responsiveness of bids submitted based upon compliance with all applicable laws, City of Frisco Purchasing Guidelines, and project documents, including but not limited to the project specifications and contract documents. The City will notify the successful bidder upon award of the contract and according to state law; all bids received will be available for inspection at that time, unless otherwise provided by law.

15. **BID TABULATION:** Bidders desiring a copy of the bid tabulation may request it by enclosing a self-addressed stamped envelope with bid. **BID RESULTS WILL NOT BE GIVEN BY TELEPHONE.** You can also download a copy on our website, www.friscotexas.gov. If you have any questions, please contact the City of Frisco, Purchasing Division, at 972-292-5542.
16. **PROTESTS:** All protests regarding the bid solicitation process must be submitted in writing to the City within five (5) working days following the opening of bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications.

This limitation does not include protests relating to staff recommendations as to award of this bid. Protests relating to staff recommendations may be directed to the City Manager within in five (5) days of the staff recommendation memo. Unless otherwise provided by law, all staff recommendations will be made available for public review prior to consideration by the City Council.
17. **BID AWARD:** The City reserves the right to award a separate contract to separate bidders for each item/group or to award one contract for the entire bid. Unless stipulated in the attached bid specifications, the contract will be awarded to the lowest responsible bidder or to the bidder who provides the goods or services specified herein at the best value for the City in compliance with Texas Local Government Code, Section 252.043.
18. **CHANGE ORDERS:** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the City.

PERFORMANCE

19. **MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE BIDDERS:** A prospective bidder must affirmatively demonstrate bidder's responsibility. A prospective bidder must meet the following requirements:
 - A. Have adequate financial resources or the ability to obtain such resources as required;
 - B. Be able to comply with the required or proposed delivery schedule;
 - C. Have a satisfactory record of performance;
 - D. Have a satisfactory record of integrity and ethics; and
 - E. Be otherwise qualified and eligible, as determined by the City, to receive an award.

The City may request representation and other information sufficient to determine bidder's ability to meet these minimum standards listed above.
20. **ASSIGNMENT:** The successful bidder shall not sell, assign, transfer or convey this contract in whole or in part, without the prior written consent of the City.
21. **SPECIFICATION-SAMPLES:** Any catalog, brand name, or manufacturer's reference used is considered to be descriptive, not restrictive, and is indicative of the type and quality the City desires to purchase. Bids on brands of like nature and quality may be considered unless specifically excluded. If bidding on other than reference, bid must

certify article offered is equivalent to specifications and it is subject to approval by the using department and the Purchasing Division. Samples, if required, shall be furnished free of expense to the City. **SAMPLES SHOULD NOT BE ENCLOSED WITH BID UNLESS REQUESTED.**

22. **TESTING:** An agent so designated, by the City, without expense to the City, may perform testing at the request of the City or any participating entity.
23. **PACKAGING:** Unless otherwise indicated, items will be new, unused, and in first class condition in containers suitable for damage-free shipment and storage.
24. **DELIVERY:** Deliveries will be acceptable only during normal working hours at the designated City Municipal Facility. The place of delivery shall be set forth in the purchase order. The terms of this agreement are "no arrival, no sale".
25. **TITLE AND RISK OF LOSS:** The title and risk of loss of goods shall not pass to the City until the City actually receives and takes possession of the goods at the point(s) of delivery.
26. **PATENT RIGHTS:** The Bidder agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.

PURCHASE ORDERS AND PAYMENT

27. **PURCHASE ORDERS:** A purchase order(s) shall be generated by the City Director of Administrative Services to the successful bidder. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
28. **BID SECURITY/BOND REQUIREMENTS:** If required, bid security shall be submitted with bids. Any bid submitted without bid bond, or cashiers/certified check, shall be considered non-responsive and will not be considered for award. Performance and/or payment bonds, when required, shall be submitted to the City, prior to commencement of any work pursuant to the agreement provisions.
29. **FUNDING:** The City is a home-rule municipal corporation operated and funded on an October 1 to September 30 basis, accordingly, the City reserves the right to terminate, without liability to the City, any contract for which funding is not available.
30. **TAXES:** The City is exempt from Federal Manufacturer's Excise, and State sales taxes. **TAX MUST NOT BE INCLUDED IN BID PRICING.** Tax exemption certificates will be executed by the City and furnished upon request by the Finance Division.
31. **PAYMENT TERMS:** Payment terms are Net 30 unless otherwise specified by the City in this document. Prompt payment discounts may be used by the City in determining the lowest responsible bidder.

32. INVOICES: Invoices must be submitted by the successful bidder in duplicate to the City of Frisco, Finance Division, 6101 Frisco Square Blvd., Frisco, Texas 75034.

CONTRACT

33. CONTRACT PERIOD/RENEWAL OPTIONS: The term of the Depository Services Contract shall be for the period July 1, 2011 through June 30, 2014, with a provision for two one-year extensions under the same contract terms and conditions, with the mutual agreement of both parties. Further, the agreement will have a ninety-day extension period for transition to the new Depository Bank at the end of the term.
34. INTERLOCAL AGREEMENT: Successful bidder agrees to extend prices to all entities that have entered into or will enter into joint purchasing Interlocal Cooperation Agreements with the City. The City is a participating member of the Collin County Governmental Purchasing Forum (the "Forum"). As such, the City has executed Interlocal Agreements, as permitted under Section 791.025 of the Texas Government Code with certain other governmental entities in Collin County authorizing participation in a cooperative purchasing program. The successful bidder may be asked to provide products/services, based upon bid price, to any other participant in the Forum.
35. AUDIT: The City reserves the right to audit the records and performance of successful bidder during the term of the contract and for three (3) years thereafter.
36. SUCCESSFUL BIDDER SHALL: Defend, indemnify and save harmless the City and all its officers, agents and employees and all entities, their officers, agents and employees who are participating in this contract from all suits, actions or other claims of any character, name and description brought for or on account of any injuries, including death, or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful bidder, or of any agent, officer, director, representative, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from bid award. Successful bidder shall pay any judgment with cost which may be obtained against the City and participating entities growing out of such injury or damages.
37. TERMINATION FOR DEFAULT: The City reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the successful bidder fails to: (1) meet delivery schedules; or (2) otherwise performs in accordance with these specifications. Breach of contract or default authorizes the City to, among other things, award to another bidder, purchase elsewhere and charge the full increase in cost and handling to the defaulting successful bidder.

38. **ACCEPTABILITY:** All articles enumerated in the bid shall be subject to inspection by a City officer or employee designated for the purpose. If found inferior to the quality called for, or not equal in value to the specifications, deficient in workmanship or otherwise, this fact shall be certified to the Director of Administrative Services who shall have the right to reject the whole or any part of the same. Work determined to be contrary to specifications must be replaced by the bidder and at its expense. All disputes concerning quality of supplies utilized in the performance of this bid will be determined solely by the City Director of Administrative Services or designated representative.
39. **REMEDIES:** The successful bidder and the City agree that each party has all rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.
40. **VENUE:** This contract will be governed and construed according to the laws of the State of Texas. This contract is performable in Collin County, Texas.
41. **SILENCE OF SPECIFICATION:** The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
42. **NO PROHIBITED INTEREST:** The bidder acknowledges and represents they are aware of the laws and City Charter regarding conflicts of interest. The City Charter states in part that "No officer, whether elected or appointed, or any employee, whether full or part time, of the City shall have a substantial financial interest, direct or indirect, in any contract, other than employment contracts, with the City; or have a substantial financial interest, direct or indirect in the sale to the City of any land, materials, supplies or services....."
42. **FORCE MAJEURE:** If, by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this contract, then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, or other causes not reasonable within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such

settlement is unfavorable in the judgment of the party having the difficulty.

43. **DISCLOSURE OF CERTAIN RELATIONSHIPS**

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Frisco not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. Chapter 176 and the questionnaire may be found at www.friscotexas.gov. By submitting a response to this request, vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

Supplemental Information

Texas Government Code Section 2252.002 Non-resident bidders. A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

In order to make this determination, please answer the following questions:

1. Address and phone number of your principal place of business:

2. Name and address of principal place of business, and phone number of your company's majority owner:

3. Name and address of principal place of business, and phone number of your company's ultimate parent company:

MINORITY/WOMAN-OWNED BUSINESS PARTICIPATION

It is the policy of the City of Frisco to involve small businesses and qualified minority/women-owned businesses to the greatest extent possible in the procurement of goods, equipment, services and construction projects. To assist us in our record keeping, please list below the names of the minority or woman-owned firms you would be utilizing in this bid, and note the monetary involvement:

NAME OF FIRM	TELEPHONE #	\$ INVOLVEMENT

AFFIDAVIT OF NO PROHIBITED INTEREST
(Supplemental Information)

(I) (WE), the undersigned declare and affirm that no person or officer in (my) (our) firm, business, corporation, or board has or will have during the term of this contract a prohibited interest as that is defined in City Charter.

(I) (WE) further understand and acknowledge that the existence of a prohibited interest at any time during the term of this contract will render the contract voidable.

Name of Contractor: _____

Title of Officer: _____

Signature of Contractor: _____

Date: _____

ACKNOWLEDGMENT

STATE OF TEXAS *

*

COUNTY OF COLLIN *

BEFORE ME, the undersigned authority, on this day personally appeared, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of _____, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the _____ day of _____,
2011

Signature of Notary Public in and for the State of Texas

STAMP

SUPPLEMENTAL INFORMATION

Please provide the following information for contract development.

Is your firm?

- | | | | | |
|------------------------|--------------------------|-----|--------------------------|----|
| 1. Sole Proprietorship | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |
| 2. Partnership | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |
| 3. Corporation | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |

If company is a sole proprietorship, list the owner's full legal name:

If company is a partnership, list the partner's full legal name(s):

If company is a corporation, list the full legal name as listed on the corporate charter:

Is this firm a minority, or woman-owned business enterprise?

☐ NO ☐ YES If yes, specify (☐) MBE (☐) WBE

Has this firm been certified as a minority/woman-owned business enterprise by any governmental agency? ☐ NO ☐ YES

If yes, specify governmental agency: _____

Date of certification: _____

For explanation please see Terms and Conditions Item #43

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor or other person doing business with local governmental entity		
<p>This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.</p> <p>By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.</p> <p>A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.</p>		OFFICE USE ONLY
1	Name of person doing business with local governmental entity.	Date Received
2	<p><input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</p> <p>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)</p>	
3	Name each employee or contractor of the local governmental entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship.	

4	<p>Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.</p>
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Adopted 11/02/2005

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

- 5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.**

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire? ☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity? ☐ Yes ☐ No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more? ☐ Yes ☐ No

D. Describe each affiliation or business relationship.

6

Signature of person doing business with the governmental entity

Date

Adopted 11/02/2005

CITY OF FRISCO, TEXAS

DEPOSITORY APPLICATION

for

DEPOSITORY SERVICES CONTRACT

and

MERCHANT CREDIT CARD SERVICES CONTRACT

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I. INTRODUCTION

The City of Frisco (the “City”) is requesting applications from eligible and qualified financial institutions to serve as the Depository Bank to the City to provide the banking services as described below. The services provided will be in accordance with the Depository Application and attachments, duly executed between the City and the selected financial institution.

The philosophy incorporated into this Depository Application/Depository Services Contract (“Depository Application”) is to solicit bids for banking services currently utilized or open for consideration, based on projected activity and transaction volumes. The City intends to invest its funds to maximize interest income as authorized by the City Investment Policy and permitted by state law. From this perspective, the rates the City can earn on its deposits and investments through the financial institution will be an important element in consideration of the net cost/benefit of the relationship to the City. However, the City intends to manage its own investment portfolio in accordance with its Investment Policy (Exhibit 3). Institutions desiring to respond to this Proposal should bear in mind that the City wishes to pursue an aggressive cash management and investment program. Therefore, the City reserves the right to withdraw, from time to time, any amount of City funds on deposit in any City account and invest those funds in accordance with the City's investment policy.

The new Depository Contract term will be for the period of July 1, 2011 through June 30, 2014, with a provision for two one-year continuations under the same terms and conditions of the contract, subject to the mutual agreement of both parties. The Depository Contract term will also provide for an extension period not to exceed ninety (90) days for the transition to a new Depository Bank at the end of the term.

The Depository Bank is an important component of the treasury and cash management system of the City. From this perspective, the City is seeking a financial institution that is:

- meeting the requirements of Chapter 105 of the Texas Government Code;
- capable of providing the services required by the City at the least possible cost;
- willing to be attentive and responsive to the City's money matters; and,
- financially sound.

This Depository Application is intended to serve as the OFFICIAL BID FORM and as the Depository Services Contract. There are several blanks to fill in and questions to be answered. The evaluation of the bidder's application will be based on these responses.

Exceptions, conditions, or qualifications to the provisions of the City's specifications or requirements must be clearly identified as such, with the reasons therefore, and alternate language proposed by bidder, if any, clearly stated and inserted in the appropriate place in the bid submission.

Each of these exceptions, conditions, or qualifications to the City's specifications will be included, as appropriate, in this Depository Application. Items and matters not explicitly excepted in this manner shall be deemed to be in conformance with the City's specifications.

The Depository Application also requests certain information to be attached and specifically labeled. Bids must be complete, address all aspects of the Depository Application, and include all requested information to receive full consideration by the City in the selection process. The requested information is stated in the Table of Contents under “ATTACHMENTS – To Be Provided by Bidder.”

The City has designated its Director of Administrative Services as coordinator and contact person through the bidding process. The City desires to enter into a contract of mutual party benefit and will be happy to answer all questions pertaining to this Depository Application. Please note the following section of the calendar of events for the dates and times of key elements in the bid procedure.

II. CALENDAR OF EVENTS

TARGET DATES – 2011	DESCRIPTION OF EVENTS
Friday, March 11	Distribute Depository Application/Contract to prospective financial institutions
Friday, March 11 and Friday, March 18	Advertise the Depository Bank notice in the Star Community Paper
Thursday, March 24 by 11:00 AM CST	Deadline for questions concerning the Depository Application or services requested must be received by the City via email. Q&A will be provided to all parties shortly thereafter via email. See Section IX (G)
Friday, April 8	Deadline for bid submission of the Bank Depository Applications to the Director of Administrative Services from interested institutions by 2:00 PM CST.
Tuesday, April 19	Review Applications and discuss recommendations with City staff
Tuesday, May 3	Council presentation for the award of the new Contract
Wednesday, May 4	Notify all bidders
Friday, May 6	Execute Depository Bank Contract/Agreements
Friday, May 6	Begin implementation of new Bank Depository Contract

Friday, July 1, 2011

New Bank Depository Services Contract period begins

III. CRITERIA FOR EVALUATION

The City staff shall carefully review and evaluate the submitted applications. The staff's recommendation to the City Council shall be based on the application determined to be in the best interest of the City. The evaluation of the applications will be made based on the following criteria:

- Ability to perform and provide the required and requested services (15%);
- Cost of banking services (15%);
- Completeness of bid and agreement to points outlined in the Depository Application (15%);
- Funds availability (5%);
- Interest rates paid on interest bearing accounts, time deposits, and investments (15%);
- Earnings credit on average available account balances (10%);
- Financial strength and stability (15%);
- Convenience of location (5%); and,
- Previous service/relationship with City and its related entities (5%).

IV. ACCOUNT ACTIVITIES

A. **Number of Accounts.** The City requires eight (8) bank accounts at its Depository Bank as set forth in **Exhibit 1**.

The **Operating Account** serves as the City's main account into which deposits will be made including investment transactions and electronic funds transfers. The bank must have the capability of receiving and sending wire transfers, ACH transfers, and direct deposits through the **Operating Account**. The City issues approximately 1,000 checks per month for an estimated \$7,600,000 per month through the **Controlled Disbursement Account** which is utilized to issue vendor payments.

The City has a biweekly payroll with an average of 982 employees representing an average bi-weekly total debit amount of \$1,400,000 from the **Payroll Account**. The City offers its employees direct deposit of payroll. Approximately 86% of the City's employees will utilize the service. Please acknowledge the capability of your bank to provide this service.

The other five (5) accounts as set forth in **Exhibit 1** have a low volume of transactions other than the **Lockbox Account**.

The City reserves the right to open or close any number or type of accounts as it deems necessary through the term of the Depository Services Contract. Any services not listed, but later requested by the City, will be charged for at a mutually agreed upon fee. Fees bid are fixed for the entire contract period. No additional setup fees or software fees shall be charged if the Depository Bank merges or is acquired by another bank.

B. Services and Volumes. The services which should be made available to the City include, but are not limited to, the items that are identified in Appendix 1, Bank Service Requirements, and **Appendix 2**, Other Bank Services. **Exhibits 1 and 2** have been included to provide additional bank information regarding transaction volumes and dollar amounts that should be helpful in responding to this Depository Application. **The City also requires check-cashing services for the City and its employees at no charge at any branch of the selected depository bank.**

To maximize cash management control and investment opportunities, the City requires balance reporting for daily access of its bank accounts to obtain balance information. This would be accomplished by an Internet-based online reporting system which will provide the daily ending ledger and collected balances from the prior day for all accounts, a detail of the prior day's debits and credits, one day float amount, two day float amount, total credits, total debits, and detail debits and credits, current day disbursements, including check numbers (if available), and current day incoming or outgoing, wires, and current day ACH. The system shall also allow online inter- and intra-bank transfers, ACH, stop payment, and wire transfer origination instruction processes with user-defined security requirements.

C. Collateral Required. The balances maintained in all accounts must be collateralized in the same manner and under the same stipulations as outlined in the Pledge Requirements section. The maximum ledger balances are estimated to be \$30,000,000 in the aggregate. The average ledger balances are projected to be in the range of \$10,000,000 at all three banks which the City is currently utilizing.

D. Bank Statements. Bank statements are to be rendered within five (5) working days after the close of the calendar month. The statements are to include debits and credits made on the last day of the period and the item details. Electronic downloads and hard copies are required by the City.

E. Method of Payment and Reporting. The City intends to pay for all services provided by the institution as set forth in **Section IV. B.** and **Appendices 1 and 2.** The method to be used for the payment of these services shall be the direct payment method to the extent that the cost of services exceeds the earnings credit amount generated by account balances.

The City shall require account analysis statements on a monthly basis by individual account and at group level which will reflect average ledger balance, average uncollected funds, average collected balance, reserve requirement, average available balance, rate and amount of

earnings credit, and detail of services provided with quantities and unit fees for each to arrive at a total service cost.

Settlement of the excess/deficient condition as reflected by the group level account analysis is to occur on a quarterly basis. Please submit a sample of the monthly account analysis statement that will be provided to the City as **Attachment A**.

F. Availability of Funds. Please provide a schedule and detailed explanation of funds availability, showing both time and day of availability, and specify the institution location to which the availability is applicable. If more than one availability schedule is applicable, provide both. Please submit the availability schedule(s) as **Attachment B**.

G. Interest Rates. The collected balances in each account should be accessible by an internet-based online reporting system and shall be available for investment at the option of the City. Funds in interest bearing accounts shall earn interest at the rate paid on interest bearing accounts. Please provide an explanation of the institution's policy and methodology used in setting rates paid on interest bearing accounts. Indicate if they are based on a market rate such as T-Bill discount or yield rate, or the federal funds rate, etc., and when the rates are changed. Also, please provide a historical schedule of rates paid on this type of interest bearing account. Please provide the interest rate information as **Attachment C**.

H. Federal Income Tax Withholding. The City requires the Depository Bank to provide Federal Income Tax withholding and social security (FICA) depository services via ACH.

I. Research Requests. The City requests that all research requests be responded to within three business days of the request.

J. Bank Errors. Bank errors resulting in lost interest to the City will be reimbursed by the Bank to the City. The method of reimbursement will be agreed upon by the Bank and the City.

K. Check Processing. All checks deposited by the City which do not clear the first time should be submitted a second time before returning them to the City.

L. Merchant Credit Card Services Contract. The City retains the right to award the Merchant Credit Card Services Contract separately from the Non-credit and Investment Services Contracts. **Appendix 5** (Request for Information/Credit Card Merchant Services) requests information to be completed by the Proposer and provides additional credit card information regarding transaction volumes and dollar amounts to be completed by Proposer. **Exhibit 5** (Credit Card Equipment by Department) includes Credit Card Equipment Information.

V. PLEDGE / REQUIREMENTS

A. Securities Pledged. As security for the deposits of the City, the institution shall pledge to the City securities equal to 102% of their market or par value, whichever is lower, of the largest total balances the City maintains in the institution, less the amount provided by the Federal Deposit Insurance Corporation (FDIC). These aggregate balances are estimated not to exceed \$30,000,000. This Pledge shall be evidenced by a separate Depository Pledge Agreement in accordance with the requirements of State and Federal law. Please submit a copy of the Depository Pledge Agreement as **Attachment D**.

The securities comprising the pledge shall be calculated using market value. The securities so pledged, the amounts thereon, and the time for pledging same shall satisfy statutory requirements and the City Investment Policy as included in **Exhibit 3**.

B. Reporting Requirements. The institution shall provide the City a report of securities pledged at the end of each month or at any time requested by the Director of Finance or any other designated official. The report should reflect the total pledged securities itemized by:

Name
Type/Description
Par Value
Market Value
Maturity Date
Rating by Moody's or Standard & Poor's (both, if available)

C. Safekeeping. The securities pledged shall be held in safekeeping at a financial institution acceptable to the City (preferably the Federal Reserve). The original copy of all security receipts shall be filed with the Director of Finance. The City shall reimburse the Depository Bank for safekeeping charges, if any. Specify the safekeeping charges that shall apply.

Please submit a copy of the Safekeeping Agreement as **Attachment E**. The safekeeping agreement shall clearly state that the Trustee is instructed to release the collateralized securities to the City if the City has determined that the Depository Bank has failed to pay on any accounts including, but not limited to, matured investments in Certificates of Deposit, or the City has determined that the City funds are in jeopardy for any reason including, but not limited to, involuntary closure or change in ownership.

The Safekeeping Agreement shall have signatories and be executed by the Trustee Institution, the Depository Bank, and the City.

D. Substitutions. Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by an authorized signatory or designated representative. The City shall approve all securities pledged. In the case of reductions, the Depository Bank shall provide in writing that collateral shall be available when needed to meet normal City balance increases throughout the year. Any

securities pledged shall satisfy statutory requirements and the City Investment Policy as included in **Exhibit 3**.

E. Certification and Delivery of Collateral. In accordance with state law, the Board of Directors of the selected Depository Bank will be required to provide a resolution of certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five days before the commencement of the contract period.

VI. INVESTMENT ACTIVITIES

For illustration of the City's investment activity, **Exhibit 4** has been included.

A. Direct Investment Alternative. The City desires a Bank Depository relationship which provides full legal flexibility in investment activities. Since state law permits the City to invest in direct debt securities of the United States Government or its agencies or instrumentalities guaranteed by the full faith and credit of the United States Government, the City shall have the right, at its sole discretion, and based on maturities and liquidity needs of the City, to select direct investment in government obligations. **Appendix 3**, Investment Transactions, provides the scenarios of three sample investment opportunities for a specific date.

For each of the three investment options, enter the information that would represent the optimum use of the funds for the time permitted, including agency type, maturity date, par value, cost, bond yield, and transaction fee, if any.

B. Certificates of Deposit. Certificates of Deposit (CDs) purchased for the City shall be non-negotiable and shall be registered in the name of the City. CDs must be fully insured by the FDIC or collateralized by fully guaranteed Federal obligations that are pledged to the City and that have a market value equal to or greater than the CD for the life of the CD. Proof of collateral must be supplied to the City before the CDs are paid for.

Bidders shall state the rate of interest payable and the basis used to establish the rate, for each of the time periods as indicated on **Appendix 4**, Certificates of Deposit \$100,000 or more. Also, indicate the investment minimums and maximums for maturity lengths and dollar amounts.

C. Interest Calculations. Interest on all CDs shall be computed on an actual day basis, and the interest shall be paid to the City on the maturity date. Payments shall be made by crediting the accounts from which investments were made. Interest calculations shall include the first day in the investment period but shall not include the day of maturity.

D. Extension of Investments. The Depository Bank agrees to honor and continue any investments made during the term of the Depository Services Contract that will mature after the expiration date of the contract at the same rate established before the expiration of the contract.

VII. OVERDRAFT PROVISIONS

The City does not intend to have a net overdraft position occur during the course of the contract period. A net overdraft shall be defined as a negative balance in the City's accounts collectively, not by individual account. However, should a net overdraft condition occur, the following stipulations shall apply: **(To be completed by the financial institution.)**

- The maximum number of days the overdraft condition shall be allowed is _____ banking days.
- The maximum amount of the overdraft to be allowed shall be \$_____.
- The interest rate shall be _____% per annum computed on an actual day basis for the days and amount of the overdraft.

In the event a check or checks shall be presented for payment where there is insufficient funds for the purpose of paying checks, the Depository Bank agrees to promptly notify the Director of Finance, by telephone or other means, of the overdraft condition, and to provide the Director of Finance a period not exceeding one business day to respond and rectify the condition.

VIII. OTHER STIPULATIONS

A. **Regulation Notices.** The successful bidder shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Depository Services Contract.

B. **Wire Transfers.** Notification of wire transfers shall be made by a written confirmation mailed to the City the same day of the transaction and also be available by an internet-based online reporting system.

C. **Right to Cancel Contract.** In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the Depository Bank to comply with the requirements of the Depository Services Contract, then the City expressly reserves the right and privilege to cancel the Depository Services Contract and to re-bid.

D. **Right to Audit Records.** The Depository Bank's records relating to the City's accounts shall be open for review during normal business hours by designated City staff members or City appointed independent auditors.

E. **Financial Reports.** The proposing institution shall submit a copy of the latest audited annual financial statements, the past two most recent quarterly FDIC call reports, the Uniform Bank Performance Report for the latest fiscal year end, and Depository's rating from an independent depository-rating agency, all as **Attachment F**.

F. Term of the Depository Services Contract. The term of the Depository Services Contract shall be for the period July 1, 2011 through June 30, 2014, with a provision for two one-year extensions under the same contract terms and conditions, with the mutual agreement of both parties. Further, the agreement will have a ninety-day extension period for transition to the new Depository Bank at the end of the term.

IX. BIDDING REQUIREMENTS

A. Date, Time, Location. Sealed applications containing one original and five copies, plus a CD or flash drive, and clearly marked "*RFP 1103-030 Depository and Credit Card Services*" shall be delivered to the following person by 2:00 PM CST, Friday, April 8, 2011: Mr. Tom Johnston, CPPO, C.P.M., Director of Administrative Services Department, 6101 Frisco Square Blvd., 1st Floor, Frisco, Texas 75034.

NO DEPOSITORY APPLICATION WILL BE ACCEPTED AFTER 2:00 PM CST

B. Responding to this Application. The proposing institution shall use this Depository Application as the Official Bid Form to submit prices, rates, and to answer questions.

C. Additional Information. The City reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the application before and after submission, any and all of which may be used in forming a recommendation.

D. Right to Reject Applications. The City reserves the right to reject any and all applications, and to accept the application it considers to be in its best interest based upon the ability to perform the requested services, agreement to points outlined in the Depository Application, interest rates paid on time deposits, cost of banking services, and financial stability.

E. Certification. Bidder must be an institution qualified under current state law to serve as the City's Depository Bank.

F. Bid Bond. Bidder shall supply a bid bond of \$15,000. The bid bond shall be in the form of a cashier's check made payable to the City of Frisco, and shall be returned to each bidder upon final acceptance and execution of this Depository Services Contract with the successful bidder. Should the institution selected as the Depository Bank by the City fail to become the Depository Bank, for whatever reason, the bid bond will be forfeited to the City as liquidated damages.

G. Questions Regarding Depository Application. Any questions concerning this Depository Application should be directed to:

Mr. Tom Johnston, CPPO, C.P.M.
Director of Administrative Services Department
City of Frisco

6101 Frisco Square Blvd., 1st Floor
Frisco, Texas 75034
Direct Line: (972) 292-5540; Fax line: (972) 292-5586
Email: tjohnston@friscotexas.gov
or
Purchasing@friscotexas.gov

- H. Transfer of Funds. Transfer of funds will commence at such time the successful bidder has provided the City with all required forms and supplies necessary to insure uninterrupted day-to-day operations. Bidder shall, upon termination of contract, cooperate with the new Depository Bank for transfer of funds.
- I. Contact with Other City Officials or Employees. In order to ensure fair and objective evaluation of Proposals, all questions should be addressed only to the person(s) so named herein. Contact with any other City employee or elected official without the prior written consent of the person(s) so named herein is expressly prohibited. Any contact with any other City employee or elected official without prior written consent will risk elimination of their proposal from further consideration.
- J. Unit Prices and Extension Discrepancies. If unit prices and their extensions do not coincide, the City will accept the price(s) resulting in the lesser amount(s).
- K. Use of Quantity Estimates. Estimated quantities have been listed within the Proposal. The City reserves the right to increase or decrease quantities during the contract period, depending upon the City's needs.
- L. Confidentiality of Documents. After opening of Proposals, except for amounts, names, and addresses of Proposers, all other information will be deemed confidential during the evaluation process until formal action to award a contract or reject all Proposals has been taken by the City Council. After contract award or rejection of Proposals, all information will be open and available for public inspection upon written request. In accordance with Local Government Code Section 252.049, trade secrets and confidential information, which the Proposer identifies as proprietary, is not available for public inspection.
- M. Reimbursements. There is no express or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing applications in response to this Proposal, and the City will not reimburse responding firms for these expenses, nor will the City pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.

X. OTHER MISCELLANEOUS

A. Periodic Review. The City shall require a review meeting at least once every six months to evaluate the working relationship between the City and the Depository Bank. The objective shall be to address any problems and to seek solutions, as well as keeping abreast of changes, new services, or new requirements.

B. Depository Application and Resulting Contract. The final appointment of the Depository Bank shall be made by the City by a contract award of the City Council. The successful bidder may be required to execute a new Depository Application/Depository Services Contract which incorporates all of the requirements of this Depository Application, accompanying related schedules and materials as called for in this Depository Application, and any exceptions, conditions, or qualifications to the specifications included herein as deemed appropriate by the City. In the alternative, this fully executed Depository Application and accompanying related schedules, attachments, and materials shall constitute the Depository Services Contract upon acceptance and execution by the City.

C. Bid Advertisement. This Depository Application has been duly advertised and is being offered for consideration to financial institutions as permitted by State law.

D. Designating Officials. The bidder shall provide a list of contact personnel within the financial institution for communication and assistance with the City:

DESCRIPTION	NAME	PHONE	EMAIL
Relationship Officer			
General Information			
Investments & Safekeeping			
Accounting/Bookkeeping			
Deposit Discrepancies			
Controlled Disbursement			
Balance Reporting			
Account Reconciliation			
ACH Processing			
Other Contacts:			

E. Texas Ethics Commission Conflict of Interest Questionnaire. Effective January 1, 2006, House Bill 914, now codified in the Texas Local Government Code, Chapter 176, requires any bidder that wishes to conduct business or to be considered for business with any political subdivision to complete a Conflict of Interest Questionnaire (Form CIQ). (Please indicate if your bank is exempt from this requirement.) This questionnaire may be downloaded from the Texas Ethics Commission's website at:

http://www.ethics.state.tx.us/whatsnew/conflict_forms.htm

F. Depository Information. Please answer the following questions or requested information concerning the Depository.

- List references from at least three of the Depository's current, comparable governmental clients. Include the length of time under contract, a client contact with title, phone number, and email address.
- Based upon the services required by the City, please provide a proposed timeline for implementation of the contract including the timeline activities and direct responsibilities of the City and the Depository during implementation.
- Provide a copy of all agreements (including those not directly referenced in this RFP) which will be required to be executed under the contract.
- The Depository awarded the contract will be required to review the then-current City Investment Policy and certify in writing to that review in accordance with the Public Funds Investment Act certifying that the Depository has sufficient controls in place to avoid transactions not authorized by the Policy.
- A pre-award interview may be conducted onsite at the Depository prior to contract award. Please provide the City with a contact name for arranging the pre-award interview.
- The City uses an armored car service for its deposits and deposits are picked up at City Hall. Is the Depository offering a reimbursement amount for this service? Are the branch banking centers capable of accepting routinely made deposits or do you require deposits be made at your vault?
- Is the Depository offering any transition or retention incentive to the City? If so, please describe in detail.

This Depository Application is being offered by the following person duly authorized to act on behalf of the City of Frisco: Anita Cothran, Director of Finance

XI. DEPOSITORY APPLICATION SUBMITTED BY

This Depository Application is being submitted to the City of Frisco, Texas, by the following person duly authorized to act on behalf of this financial institution. All terms contained herein, including the accompanying schedules, attachments, and materials, are agreed to by said financial institution.

Name of Financial Institution

Address of Financial Institution

Telephone Number

Officer Name & Title (Printed)

Officer Signature

Date

XII. ACCEPTANCE OF DEPOSITORY APPLICATION/
DEPOSITORY SERVICES CONTRACT

IN WITNESS WHEREOF, the Mayor of the City of Frisco, Texas, as attested to by the Assistant City Clerk of the City of Frisco, Texas, has executed this Depository Application/Depository Services Contract under the authority granted to them under the provisions of Resolution No. _____, a Resolution duly enacted by the City Council of the City of Frisco, Texas, on the ____ day of _____, 2011.

Maher Maso, Mayor
City of Frisco, Texas

Date

ATTEST:

Jenny Page, City Secretary
City of Frisco, Texas

EXHIBIT 1

CITY OF FRISCO

BANK TRANSACTIONS BY ACCOUNT (at Current Depository J P MORGAN CHASE BANK)
November 2010

ACCOUNT	NUMBER CREDITS	NUMBER DEBITS	ENDING LEDGER BALANCE	TYPE OF ACCOUNT
Operating	147	158	\$576,757	DDA
Controlled Disbursement	20	1,080	0	CDA (Funded by Operating Acct.)
Payroll Disbursement	24	207	0	ZBA (to Operating Acct.)
Charitable Foundation	0	1	18,028	DDA
Police Federal Asset	1	0	98,833	DDA
Police State Asset	1	0	39,756	DDA
Police Seizure	2	0	10,129	DDA
Lockbox	55	2	10,485	DDA (Sweep to Operating Acct.)
TOTAL	250	1,448	\$753,988	

Note: The City also has an interest-bearing credit card account at Legacy Bank and an interest-bearing account at Wells Fargo Bank.

EXHIBIT 2

**CITY OF FRISCO, TEXAS
ACCOUNT ANALYSIS SUMMARY
October 2009 through September 2010**

MONTH/YEAR	AVERAGE COLLECTED BALANCE
	(J P Morgan Chase)
October 2009	402,606
November 2009	508,624
December 2009	654,287
January 2010	608,832
February 2010	686,091
March 2010	360,508
April 2010	648,775
May 2010	638,739
June 2010	445,800
July 2010	622,440
August 2010	635,373
September 2010	607,785
TOTAL	\$6,819,860
MONTHLY AVERAGE	\$568,322

Notes:

- Average Collected Balance for the period September 2010 through December 2010 at Wells Fargo was \$7,245,461.
- Average collected balance for the period October 2009 through September 2010 at Legacy Bank was \$31,094.

EXHIBIT 3
CITY OF FRISCO
INVESTMENT POLICY

CITY OF FRISCO, TEXAS



INVESTMENT POLICY

Revised & Adopted:

January 4, 2011

INVESTMENT POLICY

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IX. INVESTMENT STRATEGIES

PURPOSE

It is the policy of City of Frisco, Texas that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Ordinance requirements, formal Investment Policy and informal investment strategy.

Effective cash management is recognized as essential to good fiscal management. Cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

A. Formal Adoption

This Investment Policy is authorized by the City of Frisco City Council in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act, as amended, which requires the adoption of a formal written Investment Policy

B. Scope

This Investment Policy applies to all of the investment activities of the City of Frisco, including but not limited to investment of general funds, reserve funds, interest and sinking funds and bond funds. Retirement funds are not governed by this policy. This Policy establishes guidelines for who can invest City funds, how City funds will be invested, and when and how a periodic review of investments will be made. In addition to the guidelines of this Policy, bond funds (as defined by the Internal Revenue Service) shall be managed in accordance with their governing resolution and all applicable State and Federal Law.

C. Review and Amendment

This written investment policy and related fund strategies shall be reviewed annually by the City Council. Amendments must be approved and adopted by the City Council. The City Council shall adopt a written resolution stating that it has reviewed the investment policy and investment strategies.

INVESTMENT OBJECTIVES

A. Safety of Principal

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether from security defaults or erosion of market value.

The City shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy; by collateralization as required by law; and through portfolio diversification by maturity and type.

B. Maintenance of Adequate Liquidity

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; investing in securities with active secondary markets; maintaining appropriate portfolio diversification; and by investing in eligible money market mutual funds and local government investment pools.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

C. Return on Investments

The City shall invest local funds in investments that yield a competitive market rate of return while providing necessary principal protection consistent with stated objectives. For bond proceeds to which arbitrage restrictions apply, the primary objectives shall be to obtain a fair market rate and to minimize the costs associated with the investment of such funds within the constraints of the investment policy and applicable bond covenants.

RESPONSIBILITY AND STANDARD OF CARE

A. Delegation of Authority

The Director of Finance and the Assistant Director of Finance shall be the “Investment Officers” of the City. As Investment Officers, they are authorized by the City Council to cause the investment of all available funds consistent with this policy. Because of the various duties and responsibilities related to managing the investment portfolio, the Director of Finance or the Assistant Director of Finance may delegate specific duties and responsibilities to an accountant. No person may engage in an investment transaction except as provided under the terms of this policy. The City Council may also appoint additional Investment Officer(s) by resolution.

B. Standard of Care

The standard of care used by the City shall be the “prudent investor rule”, as set forth in Tex. Gov’t Code Ann. Sec. 2256.006, and shall be applied in the context of managing the overall portfolio within the applicable legal constraints:

“Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.”

Investment of funds shall be governed by the following investment objectives, in order of priority:

- 1) preservation and safety of principal,
- 2) liquidity, and
- 3) yield

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility; rather than the prudence of a single investment shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

The designated Investment Officers shall adhere to the City of Frisco Policy – Code of Conduct.

C. Conflict of Interest

The designated Investment Officers shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, all Investment Officers shall file with the Texas Ethics Commission and the City a statement disclosing any personal business relationship with any business or individual seeking to sell investments to the City, or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the City. For purposes of this subsection, an Investment Officer has a personal business relationship with a business organization if:

- 1) The Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- 2) Funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
- 3) The Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

D. Establishment of Internal Controls

The Director of Finance shall establish written administrative procedures for the operation of the investment program consistent with this Policy. The controls shall be designed to prevent, identify and control losses of public funds arising from deviation from this policy, fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the City.

Duties related to investment activities will be delegated so that segregation of duties will be maintained with respect to purchasing, recording, authorizing and reconciling investment accounts. All investment purchases must be authorized by the Director of Finance and the Assistant Director of Finance.

INVESTMENT ADVISORS AND BROKER / DEALERS

A. Investment Advisors

The Director may select an Investment Advisor to advise the City in the investment of City funds and other responsibilities including but not limited to broker compliance, security selection, competitive bidding, investment reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

Investment Advisors shall agree that investment advice shall at all times be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence, in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy and without any discretionary authority to transact business on behalf of the City.

Appointment of an Investment Advisor shall otherwise be according to the City's normal purchasing procedures for selecting professional services. Any approved investment advisor may be terminated with the approval of the City Manager, if in the opinion of the Director the advisor has not performed adequately. The term of any Investment Advisor contract may not exceed two years. Any renewal or extension of the Investment Advisor contract must be made by the City Council by resolution.

Investment Advisors shall additionally prepare, at least on a quarterly basis, a comprehensive portfolio report that includes, at least, the following information:

- ✓ Current portfolio status,
- ✓ Transactions and activity for the period,
- ✓ Investment maturity schedule,
- ✓ Security-type allocation,
- ✓ Income earned,
- ✓ Yield analysis (including benchmarks), and
- ✓ Book value versus market value comparison.

B. Broker / Dealer Selection and Due Diligence

The City shall establish a list of approved broker/dealers, which qualify under SEC rule 15C3-1 (uniform net capital rule) from which it will conduct security transactions. Each prospective business organization must provide current financial statements, resumes of key sales personnel and a completed broker/dealer questionnaire. The Financial condition of each qualified firm shall be reviewed annually.

In addition, Business organizations eligible to transact investment business with the City shall be presented a written copy of this Investment Policy. Additionally, the qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

- 1) Received and reviewed the investment policy of the entity; and
- 2) Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

The City Council shall, at least annually, review, revise, and adopt a list of qualified Investment Providers that are authorized to engage in investment transactions with the City.

If the City has contracted with an Investment Advisor, the advisor shall be responsible for performing financial due diligence on the City's behalf. On an annual basis, the advisor will provide the City with a list of its authorized Broker/Dealers as well as the written acknowledgement above.

AUTHORIZED INVESTMENTS

A. Eligible Investments

City funds governed by this Policy may be invested in:

- 1) Obligations of the United States or its agencies and instrumentalities, excluding mortgaged backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits.
- 2) Direct obligations of the State of Texas or its agencies and instrumentalities;
- 3) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;

- 4) Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than “A” or its equivalent;
- 5) Fully collateralized repurchase agreement having a defined termination date; placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas; and secured by obligations described by 1- 4 above and pledged with a third party selected or approved by the City; and having a market value of not less than the principal amount of the funds disbursed. The term repurchase agreement includes reverse repurchase agreements. *Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase agreement is required to sign a copy of the Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement as approved by the City. An executed copy of this Agreement must be on file before the City will enter into any transaction with a counter party. All Master Repurchase Agreements must be approved by the City Council.*
- 6) Certificates of deposit must be issued by a depository institution that has its main office or a branch office in the state of Texas that are:
 - Guaranteed or insured by the Federal Deposit Insurance Corporation or its successors; or
 - Secured by obligations that are described by 1-4 above, which are intended to include all direct Federal agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities that have a market value of not less than the principal amount of the certificates; or
 - Secured in any other manner provided by law for deposits of the City; or
 - Governed by a Depository Agreement that complies with Federal and State regulation to properly secure a pledged security interest.
- 7) Money market mutual funds regulated by the Securities & Exchange Commission, with a dollar weighted average portfolio maturity of 60 days or less that fully invest dollar-for-dollar all City’s funds without sales commissions or loads and, whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund or exceeds 80% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in money market mutual funds;
- 8) Local government investment pools organized and operating in compliance with the Interlocal Cooperation Act, as amended, whose obligations are exclusively of the obligations that are described by 1-7 above and whose investment philosophy and strategy are consistent with this Policy and the City’s ongoing investment strategy.

To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

- the types of investments in which money is allowed to be invested;
- the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
- the maximum stated maturity date any investment security within the portfolio has;
- the objectives of the pool;
- the size of the pool;
- the names of the members of the advisory board of the pool and the dates their terms expire;
- the custodian bank that will safekeep the pool's assets;
- whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- the name and address of the independent auditor of the pool;
- the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
- the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:

- Investment transaction confirmations; and
- A monthly report that containing the following information:
 - ✓ the types and percentage breakdown of securities in which the pool is invested;

- ✓ the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
- ✓ the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
- ✓ the book value versus the market value of the pool's portfolio, using amortized cost valuation;
- ✓ the size of the pool;
- ✓ the number of participants in the pool;
- ✓ the custodian bank that is safekeeping the assets of the pool;
- ✓ a listing of daily transaction activity of the entity participating in the pool;
- ✓ the yield and expense ratio of the pool;
- ✓ the portfolio managers of the pool; and
- ✓ any changes or addenda to the offering circular.

To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

B. Ineligible Investments

The following are not authorized investments for the City:

- 1) Obligations whose payments represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (Interest Only CMO);
- 2) Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (Principal Only CMO);
- 3) Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- 4) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in the market index (Inverse Floater CMO).

SAFEKEEPING AND COLLATERALIZATION

A. Delivery versus Payment Requirement

The purchase of individual securities shall be executed “delivery versus payment” (DVP) through the City’s Safekeeping Agent. By so doing, City’s funds are not released until the City has received, through the Safekeeping Agent, the securities purchased.

B. Safekeeping Agreement

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as a part of its investment portfolio or as part of its depository agreements. All collateral securing bank and savings bank deposits must be held in the City’s name by a third-party banking institution acceptable to and under contract with the City, by the Federal Reserve Bank.

Evidence of perfected ownership shall be provided through monthly safekeeping statements which shall be promptly reconciled to internal investment records.

C. Collateralization

Consistent with the requirements of State law, the City requires all bank and savings bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City’s Depositories will be required to sign a Depository Agreement with the City and the City’s safekeeping agent. The safekeeping portion of the Agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- 1) The Agreement must be in writing;
- 2) The Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- 3) The Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the City;
- 4) The Agreement must be part of the Depository’s “official record” continuously since its execution.

D. Required Collateral Levels

- 1) Certificates of Deposit

The market value of the principal portion of collateral pledged for certificates of deposit must at all times be equal to or greater than the par value of the certificates of deposit plus accrued interest, less the applicable level of FDIC insurance.

- 2) Repurchase Agreements

A repurchase agreement’s security value shall be the par value plus accrued interest, and the security’s market value must be maintained as a minimum of 102% of the principal value of the repurchase agreement.

E. Monitoring Collateral Adequacy

1) Certificates of Deposit

The City shall require monthly reports with market values of pledged securities from all financial institutions with which the City has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

2) Repurchase Agreements

Weekly monitoring by the Investment Officers of market values of all underlying securities purchased for City repurchase transactions is required. More frequent monitoring may be necessary during periods of market volatility.

F. Additional Collateral and Securities

1) Certificates of Deposit

If the collateral pledged for a deposit falls below the par value of the deposit, plus accrued interest and less FDIC insurance, the institution holding the deposit will be notified by the Investment Officers and will be required to pledge additional securities no later than the end of the next succeeding business day.

2) Repurchase Agreements

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the Investment Officers will request additional securities. If the repurchase agreement is scheduled to mature within five business days and the amount is deemed to be immaterial, then the request is not necessary.

G. Collateral Substitution

Collateralized deposits often require substitution of securities. Any financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security's value will be calculated and substitution approved if the substitution maintains a pledged value equal to or greater than the required security level. An Investment Officer must provide written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

REPORTING

A. Required Reports

Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers will provide a quarterly comprehensive report signed by all Investment Officers to the City Council. This investment report shall:

1) Describe in detail the investment position of the City,

- 2) Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group that states the:
 - ✓ beginning market value for the reporting period;
 - ✓ additions and changes to the market value during the period;
 - ✓ ending market value for the period; and
 - ✓ fully accrued interest for the reporting period;
- 3) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- 4) state the maturity date of each separately invested asset that has a maturity date;
- 5) state the account or fund or pooled group fund for which each individual investment was acquired; and
- 6) state the compliance of the investment portfolio with the City's Investment Policy and strategy and the Public Funds Investment Act.

B. Market Pricing

The investment portfolio will be marked to market monthly. Pricing information will be obtained from sources deemed reliable by the Director of Finance or the Assistant Director of Finance. These sources may include, but are not limited to, the City's Investment Advisor, the Wall Street Journal, Bloomberg and the City's safekeeping agent.

C. Compliance Audit

The City, in conjunction with its annual financial audit, shall require a compliance audit of management controls on investments and adherence to the City's Investment Policy and strategies. If the City invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the Investment Officers shall be formally reviewed at least annually by an independent auditor, and the result of the compliance audit shall be reported to the City Council.

D. Performance Measurement

The City will normally seek to invest its funds with an average maturity of less than one year. As a result, an appropriate benchmark to gauge relative performance shall be the six-month Constant Maturity Treasury (CMT).

INVESTMENT OFFICER TRAINING

The Director of Finance and Assistant Finance Director being designated by the City Council as the Investment Officers of the City must:

- 1) attend at least one training session relating to the Investment Officers' responsibilities within 12 months after taking office or assuming duties; and
- 2) attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

Training under this section must be provided by an independent source and approved by the City Council. Appropriate training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

INVESTMENT STRATEGIES

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment strategies by fund are as follows:

A. Operating Funds

Investment strategies for operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. This may be accomplished by purchasing quality, short-to medium term securities which will complement each other in a laddered structure. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security and the maximum allowable maturity shall be two years.

B. Bond Proceeds

The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, which is generally three years for capital projects, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds are subject to yield restriction and shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations. The maximum maturity for all bond proceeds shall not exceed the anticipated project spending dates. Interest in excess of the allowable arbitrage earnings will be segregated and made available for necessary payments to the US Treasury.

C. Debt Service Funds

Investment strategies for Debt Service Funds shall be to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such a manner as not to exceed an “unfunded” debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

D. Bond Reserve Funds

Market conditions, Bond Ordinance constraints and Arbitrage regulation compliance will be considered when formulating Reserve Fund strategy. Maturity limitation shall generally not exceed the call provisions of the Bond Ordinance and shall not exceed the final maturity of the bond issue.

E. Other Funds

The anticipated cash requirements of other City funds will govern the appropriate maturity mix. Appropriate portfolio strategy shall be determined based upon market conditions. Policy compliance, City financial condition, and other risk return constraints will be considered when formulating investment strategy. Maximum maturity shall not exceed five years and each fund’s weighted average life shall not exceed three years.

Glossary of Cash Management Terms

Accretion – common investment accounting entry in which the book value of securities purchased at a discount are gradually written up to the par value. The process has the effect of recording the discount as income over time.

Accrued Interest – Interest earned, but not yet paid, on a bond.

Agency – See Federal Agency

Amortization – common investment accounting entry in which the book value of securities purchased at a premium are gradually written down to the par value.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Benchmark – Index used to compare risk and performance to a managed portfolio.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value – The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

Broker – A financial firm that brings securities buyers and sellers together in return for a fee. The term “broker” is often used interchangeably with “dealer” to refer to a seller of investment securities.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Cash Settlement - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Collateralized Mortgage Obligation (CMO) – A derivative mortgage-backed security (MBS) created from pools of home mortgage loans. A single MBS is divided into multiple classes, each class containing a unique risk profile and security characteristics. A number of CMO classes are expressly prohibited by Texas State law.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 1 to 270 days. Commercial paper must carry a minimum rating of A1P1 in order to be eligible under the Texas Public Funds Investment Act.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Risk - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Derivative – Financial instruments whose value is derived from the movement of an underlying index or security.

Dealer – A dealer, as opposed to a broker, acts as a principal in all securities transactions, buying and selling for their own account. Often times, the terms “broker” and “dealer” are used interchangeably to refer to a seller of investment securities.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for securities at the time of delivery either to the purchaser or his/her custodian.

Derivative Security - Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Dollar Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio.

Fair Market Rate – A documented and verifiable rate of interest which approximates the average rate which could have been earned on similar investments at the time of the transaction.

Federal Agency – A debt instrument that carries a rating of AAA because it is government sponsored.

Federal Deposit Insurance Corporation (FDIC) - A federal agency that insures bank deposits, currently up to \$250,000 per account (thru December 31, 2013). Public deposits that exceed this amount must be properly collateralized with investment securities or insured through a surety bond.

Interest Rate - See "Coupon Rate."

Internal Controls - An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met.

Interlocal Cooperation Act - Law permitting joint participation by local governments providing one or more government functions within the State. This law (Section 791.001 et seq. of the Texas Government Code ("the Act")) has allowed for the creation of investment pools in Texas.

Investment Advisors Act of 1940 - Law which requires all Investment Advisors to be registered with the SEC in order to protect the public from fraud.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities. The Texas Public Funds Investment Act requires that public entities have a written and approved investment policy.

Investment Pool - An entity created under the Interlocal Cooperation Act to invest public funds jointly on behalf of the entities that participate in the pool.

Liquidity - A liquid investment is one that can be easily and quickly converted to cash without substantial loss of value. Investment pools and money market funds, which allow for same day withdrawal of cash, are considered extremely liquid.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - A security's par amount multiplied by its market price.

Master Repurchase Agreement - A written contract covering all future transactions between the two parties to a repurchase agreement.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage-Backed Security (MBS) - Security backed by pools of home loan mortgages.

Financial Industry Regulatory Authority (FINRA) - formerly the National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-

the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value (NAV) – The value of a mutual fund or investment pool at the end of the business day. NAV is calculated by adding the market value of all securities in a fund or pool, deducting expenses, and dividing by the number of shares in the fund or pool.

Offer - An indicated price at which market participants are willing to sell a security. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond. A security's par value is multiplied by its coupon rate to determine coupon payment amount.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Primary Government Securities Dealer (Primary Dealer) – One of 18 (as of 7/2009) large government securities dealers who are required to submit daily reports of market activity and monthly financial statements to the New York Federal Reserve Bank. Primary Dealers are required to continually "make a market" in Treasury securities, buying or selling when asked, thereby creating a liquid secondary market for US debt obligations.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Repurchase Agreement (repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month

bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes - Intermediate U.S. government debt securities with maturities of one- to 10-years and issued in denominations ranging from \$1,000 to \$1 million or more.

Uniform Net Capital Rule - SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

EXHIBIT 4

CITY OF FRISCO INVESTMENT POLICY

INVESTMENT SUMMARY (Report at September 30, 2010)

	Ending Values as of 09/30/10
Par Value	\$244,807,349.81
Market Value	245,003,796.81
Book Value	244,958,967.64
Unrealized Gain/Loss	44,829.17
MARKET VALUE%	100.08%
Weighted Avg. YTW	0.337%
Weighted Avg. YTM	0.357%

For the complete information for the City's Investment Report (September 30, 2010) please click on the link below (control/click):

www.friscotexas.gov/departments/accounting

At this site, scroll down the page and under “**Financial Information**” click on the following report:

Annual Investment Report 9-30-10

EXHIBIT 5

**CITY OF FRISCO
CREDIT CARD EQUIPMENT BY DEPARTMENT**

DEPARTMENT	MACHINE TYPE
Contract Postal Unit	Omni 3730 Vx510
Police – Records	Omni 3730 Vx510
Police – Jail/Lobby	Omni 3730 LE Vx510
Police – Jail/Booking	Omni 3730 LE Vx510
Utility Billing	
#1	Omni Vx570
#2	Omni Vx570
#3	Omni Vx570
Fire Department	Omni 3730 LE Vx510
Municipal Courts	Omni 3730 LE Vx510
Developmental Services	Omni 3730 LE Vx510

EXHIBIT 6

**CITY OF FRISCO
CREDIT CARD MERCHANT STATEMENTS COMBINED TOTALS
October 2009 – September 2010**

	Volumes				
	Visa M/C Discover	Net Sales	Discount Paid	Fees Paid	Total Fees
Utility Billing	1,380	\$256,894.02	\$859.71	\$9,184.13	\$10,043.84
Utility Billing #2	364	56,796.34	247.51	1,217.84	1,465.35
Building Inspections	3,212	620,939.19	2,067.59	14,090.35	16,157.94
Parks & Recreation	0	0.00	0.00	207.00	207.00
Municipal Courts	5,984	1,225,594.27	3,331.63	17,327.44	20,659.07
Central Fire Station	46	5,283.87	21.21	392.66	413.87
Jail - Police Dept.	289	197,352.24	556.26	2,935.32	3,491.58
Safety Town	0	0.00	0.00	249.00	249.00
Police Records	219	5,770.80	16.01	433.54	449.55
Library	257	4,242.72	8.07	414.45	422.52
Heritage Museum	0	0.00	0.00	207.00	207.00

CPU	3,746	66,997.80	252.61	2,742.49	2,995.10
4732-52	201	106,459.17	284.69	1,670.83	1,955.52
	15,698	\$2,546,330	\$7,645	\$51,072	\$58,717
Utility Billing					
Web CC Payments	40,475	\$4,450,876.02	\$51,628.02	\$15,074.48	\$72,101.79
TOTAL	56,173	\$6,997,206.44	\$59,273.31	\$66,146.53	\$130,819.13

APPENDIX 1 (Page 1)
CITY OF FRISCO

BANK SERVICE REQUIREMENTS
(Estimated Pro Forma Volumes Based on December 2010)

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

SERVICE DESCRIPTION	MONTHLY ACTIVITY	UNIT PRICE	TOTAL CHARGE
ACCOUNT SERVICES			
Account Maintenance	7		
<u>ZBA Master Acct – Maintenance</u>	1		
ZBA Sub Acct – Maintenance	1		
Statement Cycles	7		
Audit Confirmations	7		
<u>Post No Checks Maintenance</u>	5		
BANKING CENTER SERVICES			
Branch Order Currency Strap	37		
Branch Order Processed	5		
Branch Order – Coin Roll	49		
VAULT SERVICES			
Deposit	52		
Deposit per \$1,000	198		
Deposit Rolled Coin	26		
Deposit Non Std Strap – Note	6,632		
Deposit Std Strap – Note	2,600		
Email Notification	52		
WHOLE LOCKBOX (WLB)			

<u>Lockbox</u>	1		
<u>Maintenance</u>			
Image Online Maintenance	1		
<u>Image Capture</u>	1		
<u>Maintenance</u>			
<u>Wholesale Item</u>	255		
<u>w/Copy</u>			
Correspondence	143		
<u>Check Image</u>	255		
<u>Capture</u>			
Document Image Capture	311		
Check MICR Capture	255		
Data Capture Alphanumeric	6,533		
Postage	255		
CD ROM	1		
Image Storage First Month	566		
RWLB CD ROM Maintenance	1		
RWLB Consol Receivable Monthly Maint.	1		
RWLB Return Item Maintenance	1		
<u>Continued next</u>			
<u>page.</u>			

APPENDIX 1 (Page 2)
CITY OF FRISCO

BANK SERVICE REQUIREMENTS
(Estimated Pro Forma Volumes Based on December 2010)

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

SERVICE DESCRIPTION	MONTHLY ACTIVITY	UNIT PRICE	TOTAL CHARGE
DEPOSIT INSURANCE FEE	\$1,456,208		
LOCKBOX OPERATIONS			
Account Maintenance	1		
Statement Cycles	1		
Audit Confirmations	1		
DEPOSITORY SERVICES			
Credits Posted	55		
Check Deposited – On-Us	17		
Check Deposited – Transit	238		
Check Encoding	255		
Return Item	1		
Return Charge Alternate Account	1		
Return Detail Reporting	1		
DISBUREMENT SERVICES			
Image Retention Ext Per Item	41		
RECONCILIATION SERVICES			
Image Capture Per Item	41		
FUNDS TRANSFER SERVICES			
Electronic Book Debit S/T	1		
Mail Debit Advice	1		
Repetitive Instruction Storage	1		
SOFTI Standard Calculation	1		
AUTOMATED CLEARING HOUSE			
Credit Received	15		
RECEIPTSTREAM/ENH Rec Svs			
EDI Detail Report	15		
DEPOSITORY SERVICES			
Credits Posted	138		
Check Deposited -- On-Us	3,251		
Check Deposited – Transit	17,484		
Check Encoding	20,735		
Deposit Correction	1		
Return Item	24		
Return Item Redeposit	38		
Continued on next page			

CITY OF FRISCO

BANK SERVICE REQUIREMENTS
(Estimated Pro Forma Volumes Based on December 2010)

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

SERVICE DESCRIPTION	MONTHLY ACTIVITY	UNIT PRICE	TOTAL CHARGE
DISBURSEMENT SERVICES			
Check/Debit Posted	291		
Controlled Disbursement Funding	46		
Controlled Disbursement Acct Maintenance	1		
Controlled Disbursement Check Posted	1,000		
Check Cashing Non-Account Holder	9		
Stop Payment Automatic Renewal	4		
Image Retention Ext Per Item	1,354		
PWS Check Inquiry Maintenance	8		
PWS Recon Report/Stmt Maintenance	8		
PWS Exception Notification – Acct	3		
PWS Extended Report Retrieval	3		
Stop Payment – Electronic	6		
RECONCILIATION SERVICES			
Positive Pay Maintenance	3		
Payee Name Verification	1,204		
Image Capture Per Item	1,354		
CD ROM	2		
CD ROM Additional Media	2		
CD ROM Maintenance	2		
Full Reconcilement – Maintenance	3		
Full Reconcilement – Per Item	1,204		
Output File	2		
FUNDS TRANSFER SERVICES			
Electronic Fed Debit S/T	11		
Electronic CHIP Debit S/T	4		
Electronic Book Debit S/T	6		
Fed Credit S/T	6		
Book Credit	6		
Mail Debit Advice	21		
Mail Credit Advice	12		
Repetitive Instruction Storage	8		
See next page			

APPENDIX 1 (Page 4)
CITY OF FRISCO

BANK SERVICE REQUIREMENTS
(Estimated Pro Forma Volumes Based on December 2010)

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

SERVICE DESCRIPTION	MONTHLY ACTIVITY	UNIT PRICE	TOTAL CHARGE
AUTOMATED CLEARING HOUSE			
ACH Maintenance	4		
Debit Originated	4,400		
Credit Originated	2,142		
Addenda Record	17		
Debit Received	62		
Credit Received	57		
Return Item	5		
Return Item Redeposit	5		
ACH Return – Via Online Reporting	5		
Return Item Notification – Fax	3		
Debit Block Maintenance	8		
ACH ADA Authorized ID	18		
INFORMATION SERVICES			
Account Transfer Item	5		
Transaction Reported	1,679		
User Module Fee	18		
Client Maintenance	8		
ACH Returns Report Fee	4		
Monthly Maintenance	1		
Account Maintenance – 1 Year History	8		
Special Report Fee	1		
SECURITIES SERVICES			
Dep/Wdr Bk Entry NonSTP	1		
Receipts Held Book Entry	1		
TOTAL CHARGE FOR SERVICES			

The City requires check cashing for employee payroll checks at no charge to the employee or the City at any branch of the selected depository bank.

Earnings Credit Rate on Available Account Balances:

January, 2011	_____	%.
February, 2011	_____	%.
March, 2011	_____	%
Rate Basis	_____	
FDIC Assessment Fee per \$1,000	_____	(March, 2011)

Note: The City requires that interest earned will not be charged on the account analysis.

APPENDIX 2
CITY OF FRISCO

OTHER BANK SERVICES

<u>DESCRIPTION</u>	<u>UNIT PRICE</u>
Deposit Bags (clear, disposable; tamper evident plastic)	
40 Endorsement Stamps (self-inking)	
Deposit Tickets (carbonless, two-part)	

As **Attachment G**, please provide the pricing for any one-time setup fee and software fee for bank services the City is currently using as included in **Appendices 1 and 2**.

As **Attachment H**, please provide bank benefits that would be available to City employees, i.e., free checking, discounted loans, traveler's checks, etc.

The City is interested in a ghost card E-payables program. Cards that are assigned to vendors as a method of receiving electronic payments from the City. As **Attachment I** please confirm the capability of your bank to provide this service, the options available, and the pricing, and include the following:

- What card platform does the Depository support (MC, Visa)? Is a third party processor used?
- What, if any, information is available online? When? Describe data download and integration capabilities. Describe reporting capabilities.
- What client support is available? How is it provided?
- Discuss settlement and corporate liability terms. Include information on Depository support for the program, the Depository's experience, settlement terms on payment, security procedures, and license requirements. How will billing be received?
- Describe how cards are issued, deleted or replaced. How are lost/stolen cards handled?
- What are the terms of the rebate? When is the rebate issued?

The City is interested in an ACH vendor payment program. Depository enrolls vendors in the program to receive electronic payments from the City. The Depository provides web services for vendors to download the electronic payments. As **Attachment J** please confirm the capability of your bank to provide this service, the options available, and the pricing, and include the following:

- Does the Depository utilize a third-party processor?
- What, if any, information is available online? When? Describe data download and integration capabilities. Describe reporting capabilities.
- What client support is available? How is it provided?
- Discuss settlement and corporate liability terms. Include information on Depository support for the program, the Depository's experience, settlement terms on payment, security procedures, and license requirements.
- Describe how vendors are enrolled.

- What are the terms of the rebate? When is the rebate issued?

The City is interested in providing a service to allow electronic deposits (E-checks) via a web portal that interfaces with designated accounts. As **Attachment K** please confirm the capability of your bank to provide this service, the options available, and the pricing.

The City is interested in remote check deposit for high volume locations. These deposits include both consumer and commercial checks. As **Attachment L** please confirm the capability of your bank to provide this service, the options available, and the pricing, and include the following:

- What are the Depository's current capabilities in remote check deposit? Describe how checks are processed and cleared. Please state the cutoff time for same-day ledger credit.
- Is a daily balancing report produced? Provide a sample.
- What scanner equipment is required to operate the system? Is this equipment available through the Depository on a purchase or lease basis? Please list the equipment required along with its cost.

The City is in the process of implementing image cash letter service. These deposits include both consumer and commercial checks. As **Attachment M** please confirm the capability of your bank to provide this service, the options available, and the pricing, and include the following:

- What are the Depository's current capabilities in image cash letter? Describe how checks are processed and cleared. Please state the cutoff time for same-day ledger credit.
- Is a daily balancing report produced? Provide a sample.
- What scanner equipment is required to operate the system? Is this equipment available through the Depository on a purchase or lease basis? Please list the equipment required along with its cost.

The City is interested in an Automated Teller Machine (ATM) for the Jail. As **Attachment N** please confirm the interest in your bank's providing an ATM for the City Jail and the pricing based on volume requirements.

As **Attachment O**, please provide any other bank services that the City should consider using during the term of the Contract and the pricing.

APPENDIX 3

CITY OF FRISCO **INVESTMENT TRANSACTIONS**

The depository institution represents a potential source for investment transactions, and is a basis for bid comparison. In this section, there are three sample investment opportunities based on a specific date. Please complete the sample transaction section below with the investments you would recommend for the amount and time the funds are available for investment.

A transaction shall be an order placed with the Agent on a particular day to purchase investment securities. Each transaction may include the purchase of more than one security with more than one maturity date.

Investment securities shall include all securities allowed by the Public Funds Investment Act; or, as amended and permitted by the City Investment Policy, which may be more restrictive than state law.

For the following three sample investment transactions, use Friday, March 25, 2011, as the acquisition date for the purchase of the securities.

1)	Amount available to invest	\$1,000,000
	Investment period	30 days
	Security	_____
	Maturity date	_____
	Par value	_____
	Cost	_____
	Equivalent bond yield	_____
	Cost of transaction (fee)	_____
2)	Amount available to invest	\$2,000,000
	Investment period	60 days
	Security	_____
	Maturity date	_____
	Par value	_____
	Cost	_____
	Equivalent bond yield	_____
	Cost of transaction (fee)	_____
3)	Amount available to invest	\$3,000,000
	Investment period	180 days
	Security	_____
	Maturity date	_____
	Par value	_____
	Cost	_____
	Equivalent bond yield	_____
	Cost of transaction (fee)	_____

APPENDIX 4

**CITY OF FRISCO
CERTIFICATES OF DEPOSIT
\$100,000 OR MORE**

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

DAYS	RATE BASIS	(+ OR -) BASIS POINTS	MARKET RATE
0 - 6			
7 - 30			
31 - 60			
61 - 90			
91 - 120			
121 - 150			
151 - 180			
181 - 365			

Minimum and Maximum Maturity Lengths; Minimum and Maximum Dollar Amounts.

- I. The minimum maturity length the Bank is willing to accept is
_____.
- II. The maximum maturity length the Bank is willing to accept is
_____.
- III. The minimum amount of investments the Bank is willing to accept is
_____ dollars.
- IV. The maximum amount of investments the Bank is willing to accept is
_____ dollars.

APPENDIX 5 (Page 1)
CITY OF FRISCO
CREDIT CARD MERCHANT SERVICES
(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)
REFERENCES

(Please list four management-level contacts from large credit card accounts)

Reference 1

Name of Account _____

Phone number _____ Point of contact _____ Title _____

Scope of work completed _____ Install Date _____

Duration of project _____

Number of credit card systems installed _____

Email: _____

Reference 2

Name of Account _____

Phone number _____ Point of contact _____ Title _____

Scope of work completed _____ Install Date _____

Duration of project _____

Number of credit card systems installed _____

Email: _____

Reference 3

Name of Account _____

Phone number _____ Point of contact _____ Title _____

Scope of work completed _____ Install Date _____

Duration of project _____

Number of credit card systems installed _____

Email: _____

Reference 4

Name of Account _____

Phone number _____ Point of contact _____ Title _____

Scope of work completed _____ Install Date _____

Duration of project _____

Number of credit card systems installed _____

Email: _____

APPENDIX 5 (Page 2)
(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

COSTS

Configuration: The City requests a configuration to provide the ability to accept credit card payments at all City departments. ((To be completed by Provider of Information)

One-Time Fees:

Fee Description	One Time Cost
Software	
Software Upgrades	
Merchant Application Fee	
Setup and Installation Fee	
Internal Control and Procedures Review	
Initial Training – onsite	
Additional Training – telephone or written training	
Additional Training – onsite trips	
Platform/Processor	

Product Fees: See Exhibit 5 for Type of Equipment

Product	Model	Rental per Month	Purchase per Device
Terminal (Attach type)			
Printer (Attach type)			
PIN Pad (Attach type)			
Check Reader-Imager			
Imprinter			
Electronic Check Services			Fee
On-line Reporting (Monthly Fee/User ID)			Fee
Wireless Equipment:			

Monthly Fees:

Fee Description	Per Item Cost	Monthly Cost
Account Fee		
Technical Support		
Card Reader		
Card Reader Maintenance		
Minimum Transaction Volume		

APPENDIX 5 (Page 3)
(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

Transaction Fees:

Type of Transaction	Interchange% + Assessment/Association% + Discount%	Per Item Fee
Swiped (In Person)		
Card Not Present		
Online Transactions		
Non Qualified		
Debit		
Debit with Pin for Web Registration		

Other Fees:

Description	Amount
Voice Authorizations	
T&E Authorizations	
Chargeback	
Rejected ACH	
PCI Compliance	
Cancellation	
Header	
AVS	
Statement	
VRU	
APF	
NABU	
Bin	
Authorization	
Settlement	
Retrieval	
Any Other Not Listed	

Settlement:

State applicable period for deposits to City's bank accounts, i.e., 24 hours, 36 hours, 48 hours, 72 hours

MERCHANT PROCESSING AGREEMENTS REQUIRED
(Please attach samples.)

APPENDIX 5 (Page 4)

**CREDIT CARD MERCHANT SERVICES CONTRACT QUESTIONS
REGARDING THE CITY OF FRISCO
(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)**

Please answer the following questions or provide the information requested:

- Who is your Processor?
- Who is your Acquiring Bank?
- When do you take out fees? Daily or end of month?
- How long are rates guaranteed?
- May we see a monthly processing statement?
- Do you have online reporting? May we have a demo?
- Is your customer service in-house or with your processor?
- Based upon your pricing, how much revenue does your company expect to earn for servicing our account?
- What type of pricing model are you recommending?

APPENDIX 5 (Page 5)

**CITY OF FRISCO
CREDIT CARD TRANSACTIONS
PRO FORMA VOLUMES BASED ON DECEMBER 2010**

(TO BE COMPLETED BY THE FINANCIAL INSTITUTION)

Appendix 5 (Page 5) Credit Card Transactions			
	Monthly	Proposed	
Department	Activity	Price/Unit	Monthly Cost
Utility Billing			
VISA	114		
MASTERCARD	29		
Total Transaction Count	143		
Total Amount of Visa/MasterCard Sales	\$30,511.56		
Average Transaction Amount	\$1,500.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	0		
Total Amount of Discover Sales	\$0.00		
Average Transaction Amount	\$0.00		
AMERICAN EXPRESS			
Total Transaction Count	5		
Total Amount of American Express Sales	\$1,033.15		
Average Transaction Amount	\$150.00		
Utility On-Line			
VISA	2732		
MASTERCARD	829		
Total Transaction Count	3561		
Total Amount of Visa/MasterCard Sales	\$393,670.53		
Average Transaction Amount	\$1,500.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		

DISCOVER			
Total Transaction Count	0		
Total Amount of Discover Sales	\$0.00		
Average Transaction Amount	\$0.00		

Appendix 5 (Page 6) Credit Card Transactions			
	Monthly	Proposed	
Department	Activity	Price/Unit	Monthly Cost
AMERICAN EXPRESS			
Total Transaction Count	205		
Total Amount of American Express Sales	\$32,612.73		
Average Transaction Amount	\$2,000.00		
Building Inspections			
VISA	186		
MASTERCARD	82		
Total Transaction Count	268		
Total Amount of Visa/MasterCard Sales	\$29,014.16		
Average Transaction Amount	\$2,000.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	2		
Total Amount of Discover Sales	\$558.00		
Average Transaction Amount	\$50.00		
AMERICAN EXPRESS			
Total Transaction Count	19		
Total Amount of American Express Sales	\$2,302.83		
Average Transaction Amount	\$0.00		
Municipal Courts			
VISA	355		
MASTERCARD	117		
Total Transaction Count	472		
Total Amount of Visa/MasterCard Sales	\$90,315.18		
Average Transaction Amount	\$2,500.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	14		
Total Amount of Discover Sales	\$2,280.04		
Average Transaction Amount	\$500.00		

Appendix 5 (Page 7) Credit Card Transactions			
	Monthly	Proposed	
Department	Activity	Price/Unit	Monthly Cost
AMERICAN EXPRESS			
Total Transaction Count	32		
Total Amount of American Express Sales	\$6,234.34		
Average Transaction Amount	\$0.00		
Contract Postal Unit			
VISA	397		
MASTERCARD	182		
Total Transaction Count	579		
Total Amount of Visa/MasterCard Sales	\$14,623.91		
Average Transaction Amount	\$1,000.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	37		
Total Amount of Discover Sales	\$823.18		
Average Transaction Amount	\$50.00		
AMERICAN EXPRESS			
Total Transaction Count	49		
Total Amount of American Express Sales	\$2,167.22		
Average Transaction Amount	\$0.00		
Police Records			
VISA	16		
MASTERCARD	7		
Total Transaction Count	23		
Total Amount of Visa/MasterCard Sales	\$636.00		
Average Transaction Amount	\$70.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	1		
Total Amount of Discover Sales	\$35.00		
Average Transaction Amount	\$5.00		

Appendix 5 (Page 8) Credit Card Transactions			
	Monthly	Proposed	
Department	Activity	Price/Unit	Monthly Cost
AMERICAN EXPRESS			
Total Transaction Count	4		
Total Amount of American Express Sales	\$111.00		
Average Transaction Amount	\$0.00		
Central Fire			
VISA	3		
MASTERCARD	4		
Total Transaction Count	7		
Total Amount of Visa/MasterCard Sales	\$467.62		
Average Transaction Amount	\$250.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	0		
Total Amount of Discover Sales	\$0.00		
Average Transaction Amount	\$0.00		
AMERICAN EXPRESS			
Total Transaction Count	0		
Total Amount of American Express Sales	\$0.00		
Average Transaction Amount	\$0.00		
Jail Lobby			
VISA	9		
MASTERCARD	5		
Total Transaction Count	14		
Total Amount of Visa/MasterCard Sales	\$6,396.21		
Average Transaction Amount	\$900.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	0		
Total Amount of Discover Sales	\$0.00		
Average Transaction Amount	\$0.00		

Appendix 5 (Page 9)			
Credit Card Transactions			
	Monthly	Proposed	
Department	Activity	Price/Unit	Monthly Cost
AMERICAN EXPRESS			
Total Transaction Count	1		
Total Amount of American Express Sales	\$378.01		
Average Transaction Amount	\$0.00		
Jail Booking			
VISA	11		
MASTERCARD	5		
Total Transaction Count	16		
Total Amount of Visa/MasterCard Sales	\$9,900.90		
Average Transaction Amount	\$2,000.00		
Percentage of Transactions that are Debit	0.00%		
Total Amount of Debit Card Sales	\$0.00		
DISCOVER			
Total Transaction Count	0		
Total Amount of Discover Sales	\$0.00		
Average Transaction Amount	\$0.00		
AMERICAN EXPRESS			
Total Transaction Count	0		
Total Amount of American Express Sales	\$0.00		
Average Transaction Amount	\$0.00		
Proposed Monthly Cost			

Note: Should you need electronic copies of the December, 2010, Credit Card Merchant Statements to determine proposal fees, please contact Debra Padilla at dpadilla@friscotexas.gov.

BIDDER REMINDER LIST:
REQUESTED DOCUMENTATION INCLUDED?
ORIGINAL AND FIVE (5) COPIES INCLUDED?
CD OR FLASH DRIVE INCLUDED?
ALL BLANKS COMPLETED ON THIS BID FORM?
COMPLETED SIGNATURE?



CITY OF FRISCO PURCHASING DIVISION

SIGNATURE FORM **# 1103-030** **DEPOSITORY AND CREDIT CARD SERVICES**

The undersigned certifies that the bid prices contained in this bid have been carefully reviewed and are submitted as correct and final. Bidder further certifies and agrees to furnish any and/or all product/service upon which prices are extended at the price offered, and upon the conditions in the specifications of the Invitation for Bid.

I hereby certify that the foregoing bid has not been prepared in collusion with any other bidder or other person or persons engaged in the same line of business prior to the official opening of this bid. Further, I certify that the bidder is not now, nor has been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination to control the price of product/service bid on, or to influence any person or persons to bid or not to bid thereon."

Name of Bidder: _____

Address of Bidder: _____

Telephone Number: _____ Fax: _____

E-mail address: _____

By: _____ (print name) Cash Discount Terms: _____

Title: _____ Federal ID #/SSN #: _____

Signature: _____

Acknowledgement of Addenda: #1 _____ #2 _____ #3 _____ #4 _____ #5 _____